



General Assembly

January Session, 2009

**Governor's Bill No. 831**

LCO No. 3024

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Referred to Committee on Environment

Introduced by:

SEN. MCKINNEY, 28<sup>th</sup> Dist.

REP. CAFERO, 142<sup>nd</sup> Dist.

***AN ACT CONCERNING THE ESTABLISHMENT OF A BOTTLE  
DEPOSIT TRUST FUND BOARD AND THE REDEMPTION OF WATER  
BOTTLES.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 22a-243 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2009*):

3 For purposes of sections 22a-243 to 22a-245a, inclusive, as amended  
4 by this act:

5 (1) "Beverage" means beer or other malt beverages, [and mineral  
6 waters,] soda water and similar carbonated soft drinks in liquid form  
7 and intended for human consumption, and water, including mineral  
8 water, flavored water, nutritionally enhanced water and any beverage  
9 that is identified through the use of letters, word or symbols on such  
10 beverage's product label as a type of water, but excluding juice;

11 (2) "Beverage container" means the individual, separate, sealed  
12 glass, metal or plastic bottle, can, jar or carton containing a beverage;

13 (3) "Consumer" means every person who purchases a beverage in a  
14 beverage container for use or consumption;

15 (4) "Dealer" means every person who engages in the sale of  
16 beverages in beverage containers to a consumer;

17 (5) "Distributor" means every person who engages in the sale of  
18 beverages in beverage containers to a dealer in this state including any  
19 manufacturer who engages in such sale and includes a dealer who  
20 engages in the sale of beverages in beverage containers on which no  
21 deposit has been collected prior to retail sale;

22 (6) "Manufacturer" means every person bottling, canning or  
23 otherwise filling beverage containers for sale to distributors or dealers;

24 (7) "Place of business of a dealer" means the location at which a  
25 dealer sells or offers for sale beverages in beverage containers to  
26 consumers;

27 (8) "Redemption center" means any facility established to redeem  
28 empty beverage containers from consumers or to collect and sort  
29 empty beverage containers from dealers and to prepare such  
30 containers for redemption by the appropriate distributors;

31 (9) "Use or consumption" includes the exercise of any right or power  
32 over a beverage incident to the ownership thereof, other than the sale  
33 or the keeping or retention of a beverage for the purposes of sale;

34 (10) "Nonrefillable beverage container" means a beverage container  
35 which is not designed to be refilled and reused in its original shape;  
36 [and]

37 (11) "Deposit initiator" means the first distributor to collect the  
38 deposit on a beverage container sold to any person within this state;

39 (12) "Board" means the Bottle Deposit Trust Fund Board established  
40 under section 3 of this act; and

41 (13) "Fund" means the Bottle Deposit Trust Fund established under  
42 section 3 of this act.

43 Sec. 2. Subsection (d) of section 22a-245 of the general statutes is  
44 repealed and the following is substituted in lieu thereof (*Effective July*  
45 *1, 2009*):

46 (d) In addition to the refund value of a beverage container as  
47 provided in subsection (a) of section 22a-244, a distributor shall pay to  
48 any dealer or operator of a redemption center a handling fee of at least  
49 one and one-half cents for each container of beer or other malt  
50 beverage and two cents for each container of [mineral waters] water,  
51 soda water and similar carbonated soft drinks returned for  
52 redemption. A distributor shall not be required to pay to a  
53 manufacturer the refund value of a nonrefillable beverage container.

54 Sec. 3. (NEW) (*Effective July 1, 2009*) (a) There is established a Bottle  
55 Deposit Trust Fund Board. The board shall consist of nine members:  
56 (1) Two members representing dealers, each appointed by the  
57 Connecticut Food Association; (2) one member representing a soft  
58 drink distributor, appointed by the American Beverage Association; (3)  
59 one member representing a bottled water manufacturer, appointed by  
60 the International Bottled Water Association; (4) two members  
61 representing beer distributors, one of whom shall be a manufacturer,  
62 each appointed by the Connecticut Beer Wholesalers Association; (5)  
63 one member representing a municipality, appointed by the  
64 Connecticut Conference of Municipalities; (6) one member  
65 representing a redemption center, appointed by the Commissioner of  
66 Environmental Protection; and (7) one member representing an  
67 environmental nongovernmental organization, appointed by the  
68 Connecticut Recyclers Coalition. All board appointments shall be  
69 made not later than July 3, 2009. The board shall elect one of its  
70 members to serve as chairperson not later than July 10, 2009, and  
71 annually thereafter.

72 (b) The board shall open a special interest-bearing account at a

73 Connecticut branch of a financial institution, as defined in section 45a-  
74 557 of the general statutes, for purposes of maintaining a separate  
75 account to be known as the Bottle Deposit Trust Fund. All interest,  
76 dividends and returns earned on the fund shall be paid directly into  
77 the fund. Such moneys shall be kept separate and apart from any other  
78 moneys in the possession of the board. The board shall make deposits  
79 in, and withdrawals from, the fund in accordance with the provisions  
80 of section 22a-245a of the general statutes, as amended by this act.

81 (c) The board may require distributors or manufacturers to pay a fee  
82 established by the board, the proceeds of which (1) shall be deposited  
83 into the fund, and (2) may be distributed in lieu of the handling fee  
84 required to be paid under section 22a-245 of the general statutes, as  
85 amended by this act, or to distributors to defray the costs of complying  
86 with chapter 446d of the general statutes.

87 (d) The board may facilitate the marketing of materials concerning  
88 the provisions of this section.

89 Sec. 4. Section 22a-245a of the general statutes, as amended by  
90 section 15 of public act 09-1, is repealed and the following is  
91 substituted in lieu thereof (*Effective July 1, 2009, and applicable to periods*  
92 *commencing on or after July 1, 2009*):

93 (a) Each deposit initiator shall [open a special interest-bearing  
94 account at a Connecticut branch of a financial institution, as defined in  
95 section 45a-557a, to the credit of the deposit initiator. Each deposit  
96 initiator shall] deposit in [such account] the Bottle Deposit Trust Fund,  
97 established under section 3 of this act, an amount equal to the refund  
98 value established pursuant to subsection (a) of section 22a-244, for each  
99 beverage container sold by such deposit initiator. Such deposit shall be  
100 made not more than one month after the date such beverage container  
101 is sold. [, provided for any beverage container sold during the period  
102 from December 1, 2008, to December 31, 2008, inclusive, such deposit  
103 shall be made not later than January 5, 2009.] All interest, dividends  
104 and returns earned on the [special account] fund shall be paid directly

105 into [such account. Such moneys shall be kept separate and apart from  
106 all other moneys in the possession of the deposit initiator] the fund. If  
107 the amount of the required deposit pursuant to this subsection is not  
108 paid by the date seven days after the due date, a penalty of ten per cent  
109 of the amount due shall be added to the amount due. The amount due  
110 shall bear interest at the rate of one and one-half per cent per month or  
111 fraction thereof, from the due date. Any such penalty or interest shall  
112 not be paid from moneys maintained in the fund.

113 (b) Any reimbursement of the refund value for a redeemed  
114 beverage container shall be paid from the [deposit initiator's special  
115 account] fund. Upon the Commissioner of Environmental Protection's  
116 adoption of written policies and procedures establishing an accounting  
117 system under section 22a-245, any such reimbursement shall be paid in  
118 the manner prescribed in such policies and procedures until the  
119 adoption of final regulations under [said] section 22a-245. Upon the  
120 adoption of such regulations, any such reimbursement shall be paid in  
121 accordance with such regulations.

122 (c) [Each deposit initiator] The Bottle Deposit Trust Fund Board,  
123 established under section 3 of this act, shall submit a report [on March  
124 15, 2009, for the period from December 1, 2008, to February 28, 2009,  
125 inclusive. Each deposit initiator shall submit a report on July 31, 2009]  
126 on October 31, 2009, for the period from [March 1, 2009, to June 30,  
127 2009] July 1, 2009, to September 30, 2009, inclusive, and thereafter shall  
128 submit a quarterly report for the immediately preceding calendar  
129 quarter one month after the close of such quarter. Each such report  
130 shall be submitted to the Commissioner of Environmental Protection,  
131 on a form prescribed by the commissioner and with such information  
132 the commissioner deems necessary, including, but not limited to: (1)  
133 The balance in the [special account] fund at the beginning of the  
134 quarter for which the report is prepared; (2) a list of all deposits  
135 credited to [such account] the fund during such quarter, including all  
136 refund values paid to [the] deposit [initiator] initiators and all interest,  
137 dividends or returns received on the [account] fund; (3) a list of all

138 withdrawals from [such account] the fund during such quarter, all  
139 service charges and overdraft charges on the [account] fund and all  
140 payments made pursuant to subsection (d) of this section; and (4) the  
141 balance in the [account] fund at the close of the quarter for which the  
142 report is prepared.

143 (d) On or before [April 30, 2009, each deposit initiator] October 31,  
144 2009, the board shall pay nine million five hundred thousand dollars of  
145 the balance outstanding in the [special account that is attributable to  
146 the period from December 1, 2008, to March 31, 2009, inclusive] fund,  
147 after any reimbursements of the refund value made in accordance with  
148 subsection (b) of this section, to the Commissioner of Environmental  
149 Protection for deposit in the General Fund. Thereafter the board shall  
150 pay nine million five hundred thousand dollars of the balance  
151 outstanding in the [special account] fund that is attributable to the  
152 immediately preceding calendar quarter [shall be paid by the deposit  
153 initiator] one month after the close of such quarter to the  
154 Commissioner of Environmental Protection for deposit in the General  
155 Fund. If the amount of the required payment pursuant to this  
156 subsection is not paid by the date seven days after the due date, a  
157 penalty of ten per cent of the amount due shall be added to the amount  
158 due. The amount due shall bear interest at the rate of one and one-half  
159 per cent per month or fraction thereof, from the due date. Any such  
160 penalty or interest shall not be paid from funds maintained in the  
161 [special account] fund. Members of the board shall be jointly and  
162 severally liable for the payment of any such penalty or interest.

163 (e) If moneys deposited in the [special account] fund are insufficient  
164 to pay for withdrawals authorized pursuant to subsection (b) of this  
165 section, the amount of such deficiency shall be subtracted from the  
166 next succeeding payment or payments due pursuant to subsection (d)  
167 of this section until the amount of the deficiency has been subtracted in  
168 full.

169 (f) If the amount of moneys deposited in the fund exceeds the

170 amount of money for withdrawals authorized pursuant to subsection  
 171 (b) of this section and the payments required by subsection (d) of this  
 172 section, the Bottle Deposit Trust Fund Board may distribute such  
 173 surplus moneys to distributors, dealers and municipalities for  
 174 administrative costs associated with carrying out the provisions of  
 175 chapter 446d. The board shall establish criteria for such distribution,  
 176 with the approval of the Secretary of the Office of Policy and  
 177 Management.

178 ~~[(f)]~~ (g) The State Treasurer may, independently or upon request of  
 179 the commissioner, examine the accounts and records of any deposit  
 180 initiator maintained under sections 22a-243 to 22a-245, inclusive, as  
 181 amended by this act, and any related accounts and records, including  
 182 receipts, disbursements and such other items as the State Treasurer  
 183 deems appropriate.

184 ~~[(g)]~~ (h) The Attorney General may, independently or upon  
 185 complaint of the commissioner, institute any appropriate action or  
 186 proceeding to enforce any provision of this section or any regulation  
 187 adopted pursuant to section 22a-245, as amended by this act, to  
 188 implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009</i>	22a-243
Sec. 2	<i>July 1, 2009</i>	22a-245(d)
Sec. 3	<i>July 1, 2009</i>	New section
Sec. 4	<i>July 1, 2009, and applicable to periods commencing on or after July 1, 2009</i>	22a-245a

**Statement of Purpose:**

To implement the Governor's budget recommendations, to include water bottles in the bottle redemption provisions, to create a Bottle Deposit Trust Fund and a Bottle Deposit Trust Fund Board to administer the deposit redemption program, and to allow any excess

revenue to be distributed to dealers, distributors and municipalities for any costs associated with recycling.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*